GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

STARRED QUESTION NO:333
ANSWERED ON:12.12.2000
POWERS TO LOCAL BODIES
DILIP KUMAR MANSUKHLAL GANDHI;SUBODH MOHITE

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Eleventh Finance Commission has given suggestions on delegation of more powers to the local bodies;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

Answer

THE MINISTER OF RURAL DEVELOPMENT [SHRI M. VENKAIAH NAIDU]

(a) to (c) A Statement is laid on the Table of the House.

Statement referred in Reply to Lok Sabha Starred Question No.333 due for answer on 12/12/2000

The suggestions of the Eleventh Finance Commission relating to devolution of powers to local bodies are as under : -

`While all the States, barring Arunachal Pradesh, have either enacted a new Panchayat/MunicipalAct or have brought the existing legislation in conformity with the 73rd and 74th Amendments, it has been noticed that the schemes relating to the subjects included in the Eleventh and Twelfth Schedules have not yet been transferred to these bodies in most of the States. TheStates` legislations merely enumerate the subjects indicated in the two Schedules but do not specify the schemes that have to be implemented by these bodies as contemplated in Articles 243-G and 243-W. Consequently, the funds and the functionaries relating to these schemes continue to remain under the control of the Departments of the State Governments. In somecases, the implementation of some programmes has been entrusted to these bodies but only as agency function and they have no role in the planning and formulation of the schemes. Transfer of functions and schemes to the local bodies should be specifically prov ided by legislation as, in our view, it is mandatory for the States to do so. In some States,even though the Legislation empowered the local bodies to levy certain taxes, the necessary rules have yet to be framed, or the notifications laying down the rates have not been issued. We recommend that this may be explored.

The Central Government, over the years, have formulated a number of schemes known as CentralSector or Centrally Sponsored Schemes; some of these are implemented for the development of the rural and the urban areas. These schemes are mostly implemented through special agencies created at the district level or through informal and formal organisations established over the years and financed by the Central Ministries directly under these schemes. In some cases, the localbodies have been associated but they are merely performing agency functions with no decisive role clearly assigned to them in preparation and implementation of the schemes. In particular, mention may be made of the District Rural Development Agencies and District Urban DevelopmentAgencies, which are operating as instruments of the Central Government for the planning and implementation of many programmes and schemes related to the subjects included in the two schedules. These agencies have not been integrated with the new set up. The two Union Ministries - the Ministry of Rural Development and Ministry ofUrban Development - are also the nodal Ministries for the implementation of the 73rd and 74th Amendments, and, therefore, it is their responsibility to ensure that the local bodies function as institutions of self-government and all impediments to the realisation to this ideal, are removed. They have to provide the lead in the movement towards achievement of this goal. Unless these Ministries take the initiative, it may be futile to expect other Ministries in the Central Government to take action for the transfer of more schemes relating to the subjects included in the two Schedules to these Bodies`.

2. The Government have addressed the State Governments/UT Administrations, at differentlevels, in regard to devolution of financial and functional powers upon the Local Bodies. The Central Ministries/Departments have also been advised to issue necessary instructions for implementation of Centrally Sponsored Schemes through Panchayats.